

CITYSTATE SAVINGS BANK
2ND Floor, Citystate Centre
709 Shaw Boulevard, Pasig City

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
Held on December 18, 2020 at 9:00 A.M.
At the 2nd Floor, Citystate Centre Building via ZOOM
709 Shaw Boulevard, Pasig City

I. CALL TO ORDER

The Chairman, D. Edgard A. Cabangon called the meeting to order at 9:00 A.M.

II. CERTIFICATION OF NOTICE OF MEETING

The Corporate Secretary, Atty. Socrates Arevalo, certified that the stockholders were duly notified and notices of this annual meeting to the stockholders of record as of December 11, 2020, the definitive Information Statement were sent to stockholders of record as of December 11, 2020 in three ways:

1. By email to all stockholders who have provided their e-mail address
2. By Posting on the Corporation website and
3. By disclosure in the Philippine Stock Exchange

In addition, on December 8 and December 9, the Notice was published in the Business Mirror and Pilipino Mirror.

Accordingly the stockholders were notified of the meeting in accordance with the Bank's By-laws and applicable SEC Rules including and our internal guidelines on participation in stockholders meeting by remote communication and voting in absentia under extra ordinary circumstances which are embodied in our Definitive Information Statement which the Securities and Exchange Commission approved.

III. DETERMINATION OF QUORUM

The Corporate Secretary, Atty. Socrates Arevalo, announced that the total stockholders physically present and/or represented by proxies sufficiently met the required quorum for the conduct of the meeting. The shares present is with the total of 90,913,481 shares representing 90.91 % of the 100 Million total

outstanding shares which constitutes more than a majority of the total issued and outstanding shares. The said shares are all virtually present at the day of the meeting.

The Corporate Secretary also explained the Rules of conduct and voting procedures for the meeting. The Rules and Procedures are set forth in the Definitive Information Statement and the Agenda items which forms part of the notice of the Annual Stockholders meeting. The rules and Procedure are as follows

1. Stockholders who have registered through voting in absentia or through proxy or have emailed or registered under asmregistration@citystatesavings.com not later than December 15, 2020 signifying their intention to participate in the stockholders meeting through remote communication may send their queries to the said email address.
2. All Question or comments received if any before 8:30 A.M of December 18, 2020, will be addressed during the meeting on other matters. All other questions not taken up will be replied upon by the Management
3. There are three (3) resolutions proposed for adoption. Each resolution will be shown in the screen as it is being taken up
4. Stockholders who have casted their votes in this proposed resolution and the elections of directors beginning December 11, 2020 will be counted and polls will remain open until the end of this meeting to those who will cast their votes by proxy or in absentia
5. The votes cast as of December 15, 2020 after the end of the proxy validation process were tabulated. The results will be announced during the meeting and the final results will be reflected in the minutes of the meeting.

IV. APPROVAL OF THE INCREASE OF AUTHORIZED CAPITAL STOCK (ACS) FROM 1,500,000,000.00 TO 1,800,000,000.00

The Chairman asked the Corporate Secretary to present the proposed first resolution; Resolution No: SSM -01-2020 for for the approval of the Increase of Authorized Capital Stock 1,500,000,000.00 to 1,800,000,000.00. The said amendments were already approved by the Board of Directors on December 1, 2020 under Board Resolution No. 2020-0091.

The Corporate Secretary informed that the shares representing 99.9 % of the voting shares represented in this meeting voted to affirm the resolution. Therefore, the Resolution has been approved

RESOLUTION NO. SSM-01-2020

RESOLVED, AS IT IS HEREBY RESOLVED by the Stockholders of Citystate Savings Bank Inc. to approve the Increase of Authorized Capital Stock from ₱1,500,000,000.00 to ₱1,800,000,000.00

V. APPROVAL OF THE AMENDMENTS TO THE ARTICLES OF INCORPORATION (Section 7, 1st Paragraph) AND BY-LAWS (Article VI, Section 3)

The Chairman asked the Corporate Secretary to present the proposed adoption of Resolution No: SSM-02-2020 for the Amendment to the Articles of Incorporation and By-Laws. The said amendments were already approved by the Board of Directors on December 1, 2020 under Board Resolution No. 2020-0091A and Board Resolution No. 2020-0091B

The Corporate Secretary explained and clarified the reason as to why the Bank is amending its Articles of Incorporation by presenting the following facts:

WHEREAS, on 28 May 2019 Annual Stockholders' Meeting, the Stockholders of Citystate Savings Bank, Inc. approved and confirmed the increase in the authorized capital stock from P1,000,000,000.00 to P1,500,000,000.00.

WHEREAS, Section 37 of Republic Act No. 11232 or the Revised Corporation Code provides that application for increase in authorized capital stock must be made with the Securities and Exchange Commission within six (6) months from the date of approval of the board of directors and stockholders.

WHEREAS, it was resolved by the Board of Directors dated 25 November 2020 that there is a need to obtain the fresh approval of the Stockholders for the increase in authorized capital stock since the previously approved increase in authorized capital stock had lapsed already.

WHEREAS, to fully comply with the regulatory requirements, the authorized capital stock of P1,000,000,000 of Citystate Savings Bank, Inc. previously approved by Securities and Exchanges Commission should be increased to P1,800,000,000.00.

WHEREAS, in compliance with the aforementioned regulatory requirements, the Board of Directors of Citystate Savings Bank, Inc. in its meeting dated 25 November 2020, approved to increase the authorized capital stock of Citystate

Savings Bank, Inc. to P1, 800,000,000.00 amending their previous approval dated 26 June 2018 and 16 May 2019, to be referred to as the Article SEVENTH, First Paragraph of the Articles of Incorporation.

The Corporate Secretary also informed that the shares representing 99.9 % of the voting shares represented in this meeting voted to affirm the resolution. Therefore, the Resolution has been approved

RESOLUTION NO. SSM-02-2020

RESOLVED, AS IT IS HEREBY RESOLVED by the Stockholders of Citystate Savings Bank Inc to approve the Amendments on Section Seventh of Articles of Incorporation and Article VI, Section 3 of the By-Laws

Section 7, 1st paragraph of the Articles of Incorporation

| Current Provision | Proposed Amended Provision | Reason |
|--|--|---|
| The authorized capital stock of the Bank is ONE BILLION PESOS (Php 1,000,000,000.00), divided into ONE HUNDRED MILLION (10,000,000) common shares with a par value of TEN PESOS (Php 10.00) per share. | The authorized capital stock of the Bank is ONE BILLION EIGHT HUNDRED MILLION PESOS (Php 1,800,000,000.00), divided into ONE HUNDRED EIGHTY MILLION (180,000,000) common shares with a par value of TEN PESOS (PhP10.00) per share | To comply with Section 121 of the BSP Manual of Regulations for Banks particularly the Minimum Required Capitalization of P1B for a Thrift Bank with Trust License. |

Amendment to the By-Laws (Article VI, Section 3)

| Current Provision | Proposed Amended | Reason |
|--|---|--|
| Sec. 3. The Internal and External Auditors shall receive such compensation or fee as may be determined by the Chief Executive Office or such other officer(s) as the Board of Directors may authorize. | Sec. 3. The Internal and External Auditors shall receive such compensation or fee as may be determined by the <u>Audit Committee</u> or such other officer(s) as the Board of Directors may authorize. | Pursuant to Section 133 of the MORB, the Audit Committee shall be responsible for the remuneration and fees of the internal auditor and external auditor, respectively |

VI. APPROVAL OF THE SUBSCRIPTION OF TOP VENTURES INVESTMENT AND MANAGEMENT CORP., (TVIMC) TO 600,000 SHARES OF CITYSTATE SAVINGS BANK INC, AND THE APPROVAL OF THE WAIVER OF THE PSE RIGHTS/PUBLIC OFFERING PURSUANT TO SECTION 5 A) AND B) OF THE CONSOLIDATED LISTING AND DISCLOSURE RULES RELATIVE TO THE ABOVEMENTIONED SUBSCRIPTIONS.

The Chairman moved to the next item which is the approval of the Subscription of Top Ventures Investments and Management Corp. (TVIMC) to 600,000 shares and the approval of the waiver of the PSE rights/public offering pursuant to Section 5 a) and b) of the Consolidated Listing and disclosure Rules relative to the abovementioned subscriptions. The Chairman asked the Corporate Secretary to present the proposed resolutions. The said subscription and waiver were already approved by the Board of Directors on December 1, 2020 under Board Resolution No. 2020-0091C.

The Corporate Secretary, Atty. Socrates Arevalo proposed for the adoption of Resolution No: SSM -03-2020 for the approval of the Subscription of Top Ventures Investment and Management Corp. to 600,000 shares and Resolution No: SSM – 04- 2020 for the approval of the waiver of the PSE rights/public offering pursuant to Section 5 a) and b) of the Consolidated Listing and disclosure Rules relative to the abovementioned subscriptions.

The Corporate Secretary also shared that the shares representing 99.9 % of the voting shares represented in this meeting voted to affirm the said resolutions. Therefore, the Resolutions No: SSM -03-2020 and SSM -03-2020 has been approved.

RESOLUTION NO. SSM-03-2020

“RESOLVED, AS IT IS HEREBY RESOLVED, to approve the Subscription of Top Ventures Investment and Management Corp., (TVIMC) to 600,000 shares to Citystate Savings Bank Inc.,

RESOLUTION NO. SSM-04-2020

“RESOLVED, AS IT IS HEREBY RESOLVED, to approve the waiver of the PSE rights/public offering pursuant to Section 5 a) and b) of the consolidated listing and disclosure rules relative to the abovementioned subscriptions.

VII. OTHER MATTERS

The Chairman then asked if there are any questions from the stockholders. As the Chairman hears none the meeting was called to adjourn. The Chairman informed the Stockholders that the link to this meeting can be requested, or any question or clarification can be coursed through asmregistration@citystatesavings.com.

The Chairman also announced that the Bank will also post the copy of this proceedings to our website. The stockholders may raise any concern or issue from the posting of the link to our website and social media pages through the same email mentioned.

VIII. SCHEDULE OF THE BOARD MEETING

Based on the provisions of the By-laws of the corporation, the stockholders delegated the fixing of the schedule of the Board of Directors meeting, as it may deem fit and necessary.

IX. ADJOURNMENT

The meeting was adjourned at 9:45 A.M.



ATTY. SOCRATES M. AREVALO
Corporate Secretary



ATTY. FRED A F. BARTOLOME-RINGOR
Assistant Corporate Secretary